

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

| | | |
|---------------------------------------|---|----------|
| THE JOINT APPLICATION OF WESTERN |) | |
| ROCKCASTLE WATER ASSOCIATION, INC. |) | |
| AND NORTHERN ROCKCASTLE COUNTY |) | |
| WATER DISTRICT FOR (A) APPROVAL OF A |) | |
| JOINT AGREEMENT TO MERGE WHEREBY |) | |
| NORTHERN ROCKCASTLE COUNTY WATER |) | |
| DISTRICT WOULD BE MERGED INTO |) | |
| WESTERN ROCKCASTLE WATER |) | |
| ASSOCIATION, INC. PURSUANT TO THE |) | |
| PROVISIONS OF KRS 278.020(4) AND 807 |) | |
| KAR 5:001; (B) FOR APPROVAL OF THE |) | |
| APPLICATION OF WESTERN ROCKCASTLE |) | CASE NO. |
| WATER ASSOCIATION, INC.'S PREVAILING |) | 98-099 |
| RATES, CLASSIFICATIONS AND ADMINIS- |) | |
| TRATIVE REGULATIONS TO THE |) | |
| CUSTOMERS AND TERRITORY OF |) | |
| NORTHERN ROCKCASTLE COUNTY WATER |) | |
| DISTRICT BEING ACQUIRED PURSUANT TO |) | |
| THE PROVISIONS OF 807 KAR 5:001, |) | |
| SECTION 11; AND (C) FOR AUTHORITY FOR |) | |
| THE WESTERN ROCKCASTLE WATER |) | |
| ASSOCIATION, INC. TO INCUR CERTAIN |) | |
| INDEBTEDNESS AS REQUIRED PURSUANT |) | |
| TO KRS 278.300 |) | |

O R D E R

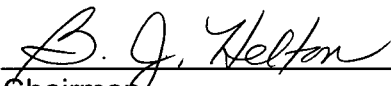
On February 19, 1998, Western Rockcastle Water Association, Inc. and Northern Rockcastle County Water District ("Joint Applicants") applied to the Commission for approval of their Joint Agreement to Merge, approval to incur additional indebtedness, and for approval of rates.

KRS 278.300(2) provides that the Commission shall have 60 days after filing to consider applications for authority to issue or assume securities or evidences of indebtedness unless it is necessary for good cause to continue the application. As the Commission has not completed its investigation of this matter, the Commission finds that good cause exists to continue the financing application beyond the 60-day period specified in KRS 278.300(2).

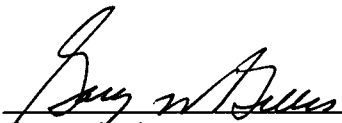
IT IS THEREFORE ORDERED that Joint Applicants' application for authority to incur additional indebtedness is continued beyond the 60-day period specified in KRS 278.300(2).

Done at Frankfort, Kentucky, this 5th day of June, 1998.

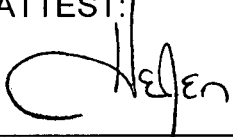
PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director